

Senate Bill No. 210

Passed the Senate September 12, 2007

Secretary of the Senate

Passed the Assembly September 10, 2007

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2007, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Section 43866.5 to, and to add Article 7.5 (commencing with Section 43890) to Chapter 4 of Part 5 of Division 26 of, the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 210, Kehoe. Greenhouse gas emissions: fuel standard.

(1) The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases that cause global warming in order to reduce emissions of greenhouse gases. Under the act, the state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions levels in 1990 to be achieved by 2020, as specified, and requires the state board to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions, as specified.

This bill would require the state board to adopt, implement, and enforce a low-carbon fuel standard by regulation that achieves the maximum technologically feasible and cost-effective reductions in the carbon intensity of transportation fuels, and at least a 10% reduction in the carbon intensity of transportation fuels by January 1, 2020, if technologically feasible and cost effective. The low-carbon fuel standard would apply to all refiners, blenders, producers, and importers of transportation fuels to the extent permitted by law. The state board, in consultation with other specified state agencies, would be required to develop environmental reporting requirements to be imposed upon those subject to the low-carbon fuel standard. The State Energy Resources Conservation and Development Commission would be required to issue a report on the impacts of the low-carbon fuel standard.

Because violations of the low-carbon fuel standard would be a crime, the bill would impose a state-mandated local program.

The bill would also require the State Energy Resources Conservation and Development Commission to update and reissue a specified report on alternative fuels.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) California is the 12th largest source of emissions that cause climate change.

(b) California's transportation sector accounts for over 40 percent of these emissions.

(c) The California Global Warming Solutions Act of 2006 creates a statewide greenhouse gas emissions limit that would reduce emissions by 25 percent by the year 2020.

(d) In order to achieve this reduction goal, approximately 13 million tons of greenhouse gas emissions must be reduced from the transportation sector, the equivalent of 3 million passenger vehicles being removed from the road.

SEC. 2. Section 43866.5 is added to the Health and Safety Code, to read:

43866.5. The State Energy Resources Conservation and Development Commission shall by June 30, 2010, update and reissue the report prepared pursuant to Section 43866 with revisions and additional recommendations.

SEC. 3. Article 7.5 (commencing with Section 43890) is added to Chapter 4 of Part 5 of Division 26 of the Health and Safety Code, to read:

Article 7.5. Greenhouse Gas Emissions Fuel Standard

43890. For the purposes of this article, the following terms have the following meanings:

(a) “Carbon intensity” means the average full fuel-cycle greenhouse gas emissions per unit of transportation fuel energy.

(b) “Full fuel-cycle” means the production, extraction, cultivation, transportation, and storage of feedstock; the production, manufacture, distribution, marketing, transportation, and storage of fuel; and vehicle operation including refueling, combustion, conversion, and evaporation. The full fuel-cycle includes transportation of, and use of, water and changes in land use and land cover associated with feedstock and fuel production.

43891. (a) On or before January 1, 2010, the state board shall adopt, implement, and enforce a low-carbon fuel standard by regulation that achieves the maximum technologically feasible and cost-effective reductions in the carbon intensity of transportation fuels.

(b) At a minimum, the carbon intensity of transportation fuels shall be reduced by 10 percent by January 1, 2020, if technologically feasible and cost effective.

(c) The low-carbon fuel standard shall apply to all refiners, blenders, producers, and importers of transportation fuels to the extent permitted by law.

(d) The state board shall meet all of the following requirements:

(1) Ensure that the low-carbon fuel standard maintains or improves upon emissions reductions and air quality benefits achieved by the California Phase 2 Reformulated Gasoline Program as of January 1, 1999, including emissions reductions for all pollutants and precursors identified in the State Implementation Plan for ozone, and emissions of potency-weighted air toxics compounds and particulate matter, or maintains or improves upon the emissions reductions and air quality benefits achieved by the California diesel fuel regulations in Article 2 (commencing with Section 2280) of Chapter 5 of Division 3 of Title 13 of the California Code of Regulations.

(2) Ensure that activities undertaken pursuant to this article complement, and do not interfere with, efforts to achieve and maintain federal and state ambient air quality standards and to reduce toxic air contaminant emissions.

(3) Ensure that the adoption, implementation, and enforcement of the low-carbon fuel standard is consistent with environmental justice as defined in Section 65040.12 of the Government Code.

(4) Account for greenhouse gas emissions on a full fuel-cycle basis to the extent that reliable information exists, as determined by the state board. The state board shall periodically update the methodology for quantifying greenhouse gas emissions on a full fuel-cycle basis.

(5) Avoid or mitigate to the maximum extent feasible significant environmental impacts, if any, associated with implementation of the low-carbon fuel standard, including avoiding or mitigating significant environmental impacts from sourcing and producing fuels used to comply with the low-carbon fuel standard.

(e) The state board shall update the regulations adopted pursuant to subdivision (a) as necessary to avoid or mitigate, to the maximum extent feasible, significant environmental and other impacts identified in the report prepared pursuant to Section 43894.

(f) This article is not intended to create any exemptions from any law or regulation designed to protect the environment.

(g) The state board shall coordinate the preparation of a multimedia evaluation pursuant to Section 43830.8 for fuels used to comply with the low-carbon fuel standard.

43893. By January 1, 2010, the state board, in consultation with appropriate state agencies, shall develop reporting requirements to be imposed upon those persons or entities subject to the low-carbon fuel standard. The reporting requirements shall include, but not be limited to, those factors necessary to quantify full fuel-cycle greenhouse gas emissions and environmental impacts of fuels subject to the low-carbon fuel standard. Where possible, the state board shall develop reporting criteria consistent with international efforts to quantify full fuel-cycle greenhouse gas emissions and environmental impacts.

43894. (a) By June 30, 2013, the State Energy Resources Conservation and Development Commission shall issue a report on the impacts of the low-carbon fuel standard. The report shall be updated and reissued every three years to take into account new information, scientific findings, or quantification methods. The commission may coordinate with other state agencies, universities, or research institutions to prepare and issue the report. The report shall include, but not be limited to, all of the following:

(1) The identification of any significant impacts on species, habitat, ecosystems, land use, biodiversity, air quality, water supply and quality, and access to, and production of, food.

(2) A comparison, on a full fuel-cycle basis, of the significant impacts associated with the low-carbon fuel standard and petroleum-based transportation fuels that have been displaced by fuels used to comply with the low-carbon fuel standard. This comparison shall include an analysis of any substantial changes in emissions of pollutants, including toxic emissions, to air, water, and land in California communities that are currently disproportionately impacted by the production, handling, and transportation of petroleum-based fuels.

(3) Recommendations to mitigate any significant impacts.

(b) The commission may include the information required by this section in any updates to the report required by Section 43866.

43895. The provisions of this part are severable. If any provision of this part or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SEC.4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Approved _____, 2007

Governor